

SUSTAINABLE PROCUREMENT POLICY



ETL Systems Ltd



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Sustainable Procurement Policy

Objectives and Scope

ETL is committed to operating in a responsible and sustainable way. As a design and manufacturing company of RF technology solutions, embedding this into our procurement process is key to sustainable business growth.

This Policy sets out our approach to sustainable procurement across the following key areas:

1. Propagating a responsible approach to business through our supply chain
2. Identifying and mitigating risks associated with our procurement process and within our extended supplier network
3. Upholding business ethics in our dealing with suppliers; including the laws and regulations of the respective countries we operate in and procure from
4. Managing and reducing the environmental impact of what we buy
5. Upholding human rights and worker rights in our supply chain

Associated documents

This **Sustainable Procurement Policy** sets out how we embed our sustainability goals into our procurement activities and our interaction with suppliers.

The policy applies to our suppliers through **ETL's Supplier Code of Conduct** found on the Corporate Responsibility section of the ETL website at the link below.

These policies should be read in conjunction with other relevant company policies including:

- ESG Policy and Framework
- Quality & Environmental Policy
- Human Rights Policy Statement
- Anti-Bribery & Corruption Policy
- Anti-Competitive Practices Policy

These are found on the Corporate Responsibility section of the ETL website:

<https://www.etlsystems.com/corporate-responsibility>

Propagating a responsible approach to business through our supply chain

As part of a network of other organisations, people, and the environment, ETL's relationship with its suppliers is critical for sustainable business growth.

ETL expects from its Suppliers full compliance with all applicable laws and regulations of the countries where they are registered, as well as where operations are managed, or services provided.

ETL's Supplier Code of Conduct addresses environmental performance, worker rights and good governance and the requirements stated represent a minimum standard of best practice.

Suppliers are also expected to share these requirements through their own supply chain to propagate socially and environmentally responsible business ethics.

ETL's intention is that suppliers will acknowledge and sign up to the Code by completing and returning the Supplier Commitment Form.

Identifying and mitigating risks associated with our procurement process and within our extended supplier network

ETL adopts a risk-based approach to supply chain management including:

- Visiting key suppliers to assess quality, performance, and ability to provide a timely service.
- Bi-annual supplier score card analysis by Purchasing Team. This involves scoring the supplier on RFQ response, technical Innovation, support and communication, pricing, lead times and quality.
- Identifying key suppliers based on spend and highest contributor to scope 3 CO2e emissions
- Monitoring supplier sign up to our Supplier Code of Conduct
- Supplier Carbon Footprint Survey to feed into our annual Carbon Footprint Report

Upholding business ethics in our dealing with suppliers; including the laws and regulations of the respective countries we operate in and procure from

ETL is committed to acting ethically and with integrity in all business dealings and relationships and ETL expects suppliers to uphold this practice including:

- Compliance with all applicable laws and regulations of the countries where suppliers are registered, as well as where operations are managed, or services provided.
- Compliance with all anti-bribery and corruption laws and regulations
- Zero tolerance of anti-competitive behaviour
- No insider trading
- Avoiding conflicts of interest
- Protection of sensitive, confidential, and proprietary information including proper handling procedures and information security mechanisms
- Compliance with all applicable data privacy laws and regulation
- Compliance with all applicable laws governing intellectual property

Managing and reducing the environmental impact of what we buy

It is required by ISO 14001 that, when considering any new design, to retain a perspective on the full Life Cycle of the product. To support this:

- ETL's New Part Request and Approvals procedure states the importance of considering the carbon footprint impact when making decisions on the selection of parts.
- engineers are encouraged to minimise energy use of new designs by for example selecting parts with low energy consumption.
- ETL promotes significant re-use of product (e.g. reconditioning of PCB boards) as well as packaging.
- Suppliers who provide or use timber packaging must display due diligence in the use of sustainable timber in their supply chain.

Suppliers are expected to comply to all applicable environmental laws in their respective countries/ jurisdiction. Sustainability initiatives – such as carbon footprint reduction, reduced resource consumption and emissions, waste minimisation, recyclable packaging materials and reduced emissions – will be factored into supplier selection and approval.

Upholding human rights and worker rights in our supply chain

ETL's Supplier Code of Conduct states:

"Suppliers must comply with all national and international laws and regulations regarding slavery, child labour, human trafficking, labour standards and human rights expectations.

Suppliers must comply with the International Labour Organisation (ILO) Child Labour Convention. Specifically, the Minimum Age Convention, 1973 (No.138) requirements, and the Worst Forms of Child Labour Convention, 1999 (No. 182) requirements. Suppliers will not use unlawful child labour, nor will they knowingly accept commodities, products and/or services from suppliers that employ or utilise child labour.

If the supplier is based, partly or wholly, in the United Kingdom, the supplier acknowledges concordance of practice with the Modern Slavery Act 2015."

ETL's Supplier Code of Conduct sets out the company's expectations in terms of ethical employment practices under:

- Harassment and bullying
- Equality diversity and inclusion
- Working hours
- Disciplinary and grievance

Signed:



(CEO)

Date:

25/04/24